

## Message Text

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14

ACTION AGR-08

INFO OCT-01 EUR-12 ISO-00 CEA-01 CIAE-00 COME-00 DODE-00

EB-07 FRB-03 H-02 INR-07 INT-05 L-03 LAB-04 NSAE-00

NSC-05 PA-01 AID-05 CIEP-01 SS-15 STR-04 ITC-01

TRSE-00 USIA-06 PRS-01 SP-02 FEAE-00 OMB-01 NSCE-00

SSO-00 USIE-00 INRE-00 OPIC-03 XMB-02 IO-11 /111 W

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FM USMISSION EC BRUSSELS

TO SECSTATE WASHDC IMMEDIATE 714

INFO ALL EC CAPITALS IMMEDIATE 1806

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PASS AGRICULTURE AND STR

E.O. 11652: N/A

TAGS: EAGR, ETRD, EEC

SUBJECT: NON-FAT DRIED MILK MIXING REGULATION

REF: STATE 57607

1. FOLLOWING IS THE TEXT OF THE AIDE MEMOIRE LEFT BY AMBASSADOR HINTON WITH COMMISSION VICE PRESIDENT SIMONET ON MARCH 10.

2. BEGIN TEXT:

THE US REGRETS THAT DESPITE REPEATED US OBJECTIONS, THE COMMUNITY HAS DECIDED TO PUT INTO EFFECT SHORTLY A NON-FAT DRY MILK MIXING REGULATION WHICH IMPAIRS OUR RIGHTS UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE.

THE MIXING REGULATION AND DEPOSIT REQUIREMENTS ARE INCONSISTENT WITH THE EC'S OBLIGATION UNDER THE GENERAL AGREEMENT AND IMPAIR US DUTY-FREE BINDINGS ON OILSEEDS, OILCAKE AND MEAL.

WE ARE DISAPPOINTED THAT IN TAKING THIS ACTION THE COMMUNITY HAS LIMITED OFFICIAL USE

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ONCE AGAIN FAILED TO ADDRESS THE BASIC PROBLEM AND INSTEAD

HAS SOUGHT TO SHIFT RESPONSIBILITY TO THE INTERNATIONAL TRADING COMMUNITY FOR HANDLING WHAT IS ESSENTIALLY A DOMESTIC SURPLUS PROBLEM.

THE COMMUNITY HAS NOT ANNOUNCED ACTION TO DEAL WITH THE BASIC CAUSES OF THE OVER-PRODUCTION OF NON-FAT DRY MILK. ON THE CONTRARY THE 7.5 PERCENT MILK PRICE INCREASE APPROVED BY THE COUNCIL WOULD, IN OUR VIEW, LEAD TO A SUBSTANTIAL WORSENING OF THE NON-FAT DRY MILK PROBLEM A YEAR FROM NOW. THE UNITED STATES ALSO NOTED AND IS CONCERNED THAT THE COUNCIL DECISIONS DO NOT ASSURE US THAT THE MEASURE WILL HAVE A TERMINATION DATE DESPITE REPEATED ASSURANCES BY COMMISSION OFFICIALS THAT IT WOULD BE TEMPORARY AND A ONE-TIME PROGRAM.

THE TEMPORARY SUBSIDY FOR PRIVATE STORAGE OF 250,000 METRIC TONS OF "CERTAIN PROTEIN PRODUCTS" DOES NOT IN THE US VIEW SIGNIFICANTLY DAMPEN THE EFFECT OF A NON-FAT DRY MILK MIXING REGULATION ON US TRADE. SINCE THE SUBSIDY WILL BE TEMPORARY, RELEASE OF THIS 250,000 METRIC-TON STOCK ONTO THE MARKET IN THE FUTURE WILL UNDOUBTEDLY HAVE AN ADVERSE IMPACT ON US EXPORT SALES OF SOYBEANS, CAKE AND MEAL AT THAT TIME. THE UNITED STATES CONSEQUENTLY INTENDS TO PURSUE THIS MATTER VIGOROUSLY UNDER THE GENERAL AGREEMENT ON TARIFFS AND TRADE. END TEXT. HINTON

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## Message Attributes

**Automatic Decaptioning:** X  
**Capture Date:** 01 JAN 1994  
**Channel Indicators:** n/a  
**Current Classification:** UNCLASSIFIED  
**Concepts:** DUTY FREE ENTRY, DIPLOMATIC PROTESTS, AIDE MEMOIRE, AGRICULTURAL POLICIES, NONFAT DRIED MILK, EXPORT SUBSIDIES  
**Control Number:** n/a  
**Copy:** SINGLE  
**Draft Date:** 10 MAR 1976  
**Decaption Date:** 01 JAN 1960  
**Decaption Note:**  
**Disposition Action:** RELEASED  
**Disposition Approved on Date:**  
**Disposition Authority:** ShawDG  
**Disposition Case Number:** n/a  
**Disposition Comment:** 25 YEAR REVIEW  
**Disposition Date:** 28 MAY 2004  
**Disposition Event:**  
**Disposition History:** n/a  
**Disposition Reason:**  
**Disposition Remarks:**  
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**Document Unique ID:** 00  
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**Original Handling Restrictions:** n/a  
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**Status:** NATIVE  
**Subject:** NON-FAT DRIED MILK MIXING REGULATION  
**TAGS:** ETRD, EAGR, EPAP, US, EEC  
**To:** STATE  
**Type:** TE  
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